



**COMMUNITY BOARD NO. 10 - MANHATTAN**  
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Handwritten initials and date: 1/24/98

December 18, 1997

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Cynthia Johnson, Director  
US Department of the Treasury  
Cash Management Policy and Planning Division  
401 14th Street, Room 420 SW  
Washington, DC 20227

Dear Ms. Johnson:

Manhattan Community Board #10 has many concerns about the proposed EFT'99, which would require nearly all recipients of Federal benefits to receive payments by Electronic Funds Transfers beginning January 2, 1999.

The plan proposes that there would be waivers if recipients certify that payments by EFT would impose a hardship due to physical disability or geographical barrier but none for mental disability, illiteracy, or language problems. Many persons have a strong fear of banks, particularly seniors who have not forgotten the Great Depression. Despite safeguards today, many still feel that banks can fail. The savings and loans debacle hasn't assured them. The EFT '99 proposal stresses the improved safety of EFT's but little is said about how privacy and security of EFT's would be insured. How secure can electronic transfers be when the media has shown that hackers have been able to infiltrate even government agency files?

For your proposal to work, there must be a massive education campaign on how to set up, handle and protect bank accounts. The ten million unbanked must be taught in simple language ( and in their first language ) what will all this mean.

The imposition of even reasonable fees, which would be determined by the banks, is simply outrageous. Banks will harvest tremendous savings as it will cost considerably less to process electronic transfers than to process checks. In addition to savings, the banks will have enormous increases of funds on deposits from the estimated increase of ten million new accounts from those presently unbanked.

We do not believe there is any justification for imposing fees to recipients. Many recipients whose savings have been exhausted are barely surviving now.

At the October 20 1997 hearing in Manhattan, it was stressed that payment problems could be corrected in 24 to 48 hours. It now takes two weeks or more to issue a replacement for lost checks.

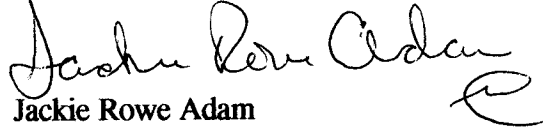
Handwritten note: EFT #206

Our experience has been that getting through to social security offices by phone is extremely difficult, time consuming and frustrating. If, as your Manhattan Social Security representative states, your telephone lines are now swamped, what can we expect in the future especially during the start up of EFT '99

Sincerely,



Willie Walker  
Chairman  
Community Board # 10



Jackie Rowe Adam  
Chair, Aging Committee  
& 2nd Vice Chair

CC:

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Hon. Alfonse D'Amato, United States Senator  
Hon. Daniel P. Moynihan, United States Senator  
Hon. Rudolph Giuliani, Mayor  
Hon. Ruth Messinger, Borough President  
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Hon. Catherine Abate, State Senator  
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